

1-171A035



**PARK NATIONAL BANK**

17390  
RECORDATION NO. \_\_\_\_\_ FILED 1991

JUN 20 1991 1:05 PM  
INTERSTATE COMMERCE COMMISSION

June 17, 1991

Secretary of Interstate  
Commerce Commission  
12th and Constitution Ave. N.W.  
Room 2303 Mildred Lee  
Washington, D.C.

Dear Ms. Lee:

I am enclosing, herewith, one original and one counter part to a Security Agreement, dated May 13, 1991, between TCI 1979 Partnership and Park National Bank Houston and a check in the amount of \$15.00 for payment of recordation fee. We ask that you record this document. Please note that the principal debtor is:

TCI 1979 Partnership  
13231 Champion Forest Drive, Suite 110  
Houston, Texas 77069

the Lien Holder is:

Park National Bank of Houston  
6750 West Loop South  
Bellaire, Texas 77401

and the collateral is (5) tank cars, registration numbers #GLNX 21106, GLNX 21107, GLNX 21108, GLNX 21109, GLNX 21110.

After recording, please return an original counterpart to me in care of Park National Bank Houston, 6750 West Loop South, Bellaire, Tx. 77401.

Should you need additional information please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eric Bunsey".

Eric Bunsey  
Vice President

JUN 20 12 55 PM '91  
RECORDING UNIT

**Interstate Commerce Commission**  
Washington, D.C. 20423

6/20/91

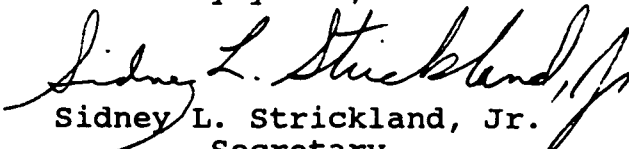
OFFICE OF THE SECRETARY

Eric Bunsey  
Vice President  
Park National Bank  
6750 West Loop South  
Bellaire, Texas 77401

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/20/91 at 1:05pm, and assigned recordation number(s). 17390

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary



# PARK NATIONAL BANK

OF HOUSTON  
MEMBER F.D.I.C.

17390  
JUN 20 1991 - 1:05 PM  
INTERSTATE COMMERCE COMMISSION

## SECURITY AGREEMENT

In consideration of TEN AND NO/100 (\$10.00) DOLLARS and other good and valuable considerations in hand paid, the receipt and sufficiency of which is hereby acknowledged and confessed, TCI 1979 PARTNERSHIP  
(hereinafter called "Debtor", whether one or more), whose mailing address is 13231 Champion Forest Drive, Suite 110  
Houston, Texas 77069

and PARK NATIONAL BANK OF HOUSTON (hereinafter called "Secured Party"), whose address is \_\_\_\_\_  
6750 West Loop South, P.O. Box 1277, Bellaire, Texas, Harris County agree as follows:

Each Debtor, jointly and severally, hereby assigns, transfers and grants to Secured Party a security interest in and to all Collateral described or referred to in this Security Agreement to secure all indebtedness, of whatever kind and character, now owing or which may hereafter become owing by any Debtor to Secured Party, whether such indebtedness is evidenced by a note, open account, overdraft, endorsement, surety agreement, guaranty agreement, or otherwise, and whether such indebtedness is present or future, direct or indirect, primary or secondary, fixed or contingent or otherwise, and whether such indebtedness was heretofore, is now or may hereafter be created or incurred, and whether such indebtedness was originally owed to Secured Party or owed to others and acquired by purchase or otherwise by Secured Party.

The Collateral of this Security Agreement is all of the following described goods, instruments, general intangibles, securities and other property, rights and interests, to-wit:

ALL RIGHT, TITLE AND INTEREST OF DEBTOR IN AND TO FIVE (5)  
CERTAIN 21,000 GALLON NOMINAL CAPACITY TANK CARS, DOT-111A100W-  
1 INTERIOR COILED AND NON-INSULATED WITH 100-TON  
ROLLER BEARING TRUCKS, BEARING REGISTRATION NUMBERS GLNX 21106, 21107  
21108, 21109 AND 21110, AND ALL ADDITIONS AND ACCESSIONS THERETO,  
LIQUIDATED DAMAGES AND PER DIEM MILEAGE PAYMENTS WITH  
RESPECT THERETO, RENTALS AND PROFITS THEREFROM, ALL ACCOUNTS  
CHattel PAPER AND GENERAL INTANGIBLES WITH RESPECT THERETO  
AND PROCEEDS THEREOF, AND ALL RIGHTS, TITLE AND INTEREST  
OF DEBTOR IN AND TO ANY MANAGEMENT AGREEMENTS RELATING THERETO  
INCLUDING, WITHOUT LIMITATION, THAT CERTAIN MANAGEMENT AGREEMENT  
BY AND BETWEEN GLENCO TRANSPORTATION SERVICES, INC., A  
TEXAS CORPORATION, AND DEBTOR, DATED OCTOBER 18, 1979

and

2. ☐ If checked, all accounts, contract rights, general intangibles, instruments and chattel paper of every kind, type, nature and description (including, but not limited to, all accounts, contract rights, general intangibles and chattel paper described or referred to in any schedule or exhibit attached hereto, if any) which are now owned and which are hereafter acquired by any Debtor and all goods, property, rights and interests, the sale or lease of which gave rise to any such accounts, contract rights, general intangibles or chattel paper; and

3. ☐ If checked, all inventory of every kind, type, nature and description (including, but not limited to, all inventory described or referred to in any schedule or exhibit attached hereto, if any), and all additions and accessions thereto, which are now owned and which are hereafter acquired by any Debtor, and all products of all of such inventory; and

4. ☐ If checked, all equipment of every kind, type, nature and description (including, but not limited to, all equipment described or referred to in any schedule or exhibit attached hereto, if any), and all additions and accessions thereto, which are now owned and which are hereafter acquired by any Debtor; and

5. All accounts, instruments, general intangibles and contract rights with respect or in any manner pertaining to any of the Collateral described or referred to herein, and all stock rights, rights to subscribe, liquidating dividends, dividends paid in stock, new securities or other properties, rights or interest which any Debtor may hereafter become entitled to receive on account of any Collateral described or referred to herein, and all replacements and substitutions of any Collateral described or referred to herein; and

6. All other goods, property, instruments, securities, general intangibles, rights and interests now owned or hereafter acquired by any Debtor and previously, presently or in the future deposited with or in the possession of Secured Party or described or referred to on any schedule or exhibit attached hereto, and all attachments and accessions thereto and all products thereof, and all money, instruments, securities and other property heretofore now or hereafter delivered to, deposited with or in the possession, custody or control of Secured Party in any manner or for any purpose whatsoever which is now owned or hereafter acquired by any Debtor (whether held in a general or special account or deposit or deposited for safekeeping or otherwise) and all other sums at any time credited by or due from Secured Party to any Debtor; and

7. All proceeds of all of the Collateral described or referred to herein and all proceeds of all cash proceeds of all of the Collateral described or referred to herein (including, but not limited to, all inventory, equipment, instruments, documents, accounts, contract rights, chattel paper, general intangibles, certificates of deposit, money, bullion, coins, deposit accounts, goods covered by documents, and all other goods, property, rights and interests of every kind, type, nature and description which are acquired with any such cash proceeds.

Each Debtor shall pay to Secured Party any and/all sum or sums due or which may become due pursuant to any promissory note or notes or any other writing heretofore, now or hereafter executed by any Debtor to evidence any Debtor's indebtedness to Secured Party, in accordance with the terms of such promissory note or notes or other writing and the terms of this Security Agreement. Each Debtor shall pay to Secured Party on demand all expenses and expenditures incurred, or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the maximum lawful rate of interest allowed by the applicable law of the United States of America or the State of Texas which allows the highest rate of interest from the date such expenses or expenditures were first accrued or paid until payment thereof in full by Debtor. At the option of Secured Party, each Debtor shall pay immediately, without demand, notice of any such default or event, notice that Secured Party will not accept late payments, notice of intent to accelerate maturity, notice of other act or notice whatsoever, the entire unpaid indebtedness (less unearned finance charges, if any) of each such Debtor to Secured Party, whether created or incurred pursuant to this Security Agreement or otherwise, upon any Debtor's default under this Security Agreement.

Each Debtor represents, warrants and agrees that:

1. All information supplied and all oral and written statements and representations made or furnished by any Debtor or any endorser, surety or guarantor of any indebtedness of any Debtor, or made or furnished by any other person or entity for or on behalf of any Debtor or any endorser, surety or guarantor of any indebtedness of any Debtor, in or concerning any financial, credit or accounting statement or condition or application for credit or in any manner concerning any assets or liabilities of any Debtor or any such endorser, surety or guarantor, which in any manner pertains or relates to, or made or furnished in connection with, any present or future indebtedness of any Debtor to Secured Party or any indebtedness of any such endorser, surety or guarantor and which are delivered or made to Secured Party prior to, contemporaneously with or subsequent to the execution of this Security Agreement, are, and will be, true, correct, complete, valid and genuine; and

2. Debtor owns the Collateral and has the right to transfer the entire interest therein; the Collateral is not subject to the interest of any third person; and no financing statement covering Collateral or its proceeds is on file in any public office, and Debtor will defend the Collateral and its proceeds against the claims and demands of all third persons; and

3. All investment securities, instruments, chattel paper, and any like property or other writings delivered to or relied upon by Secured Party as Collateral:

- (a) are genuine and free from adverse claims or other security interests, default, prepayment or defenses; and
- (b) all persons appearing to be obligated thereon have authority and capacity to contract and are bound thereon as they appear to be from the face thereof; and
- (c) the same comply with all applicable laws concerning form, content and manner of preparation and execution; and

4. As to all of the Collateral not in the possession of Secured Party, Debtor shall at all times keep the Collateral and its proceeds separate and distinct from other property of Debtor and shall keep accurate and complete records of the Collateral and its proceeds; and

(5) Debtor shall not lend, rent, lease, sell or otherwise dispose of the Collateral or any interest therein except as authorized in this Security Agreement or in writing by Secured Party, and Debtor shall keep the Collateral, including the proceeds thereof, free from unpaid charges, including taxes, and from liens, encumbrances and security interests other than that of Secured Party; and

6. Until the occurrence or existence of an Event of Default, Debtor may use the items of the Collateral which constitute inventory in any lawful manner not inconsistent with this agreement or with the terms or conditions of any policy of insurance thereon and may use and consume any such inventory which is necessary to carry on Debtor's business and may also sell such inventory in the ordinary course of Debtor's business, subject to the following additional limitations, if any:

---

A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt; and

7. If any of the Collateral is to be wholly or partly affixed to real estate or other goods, a description of the real estate or other goods is as follows:

and the name of the record owner of such real estate or other goods is \_\_\_\_\_  
If any of the Collateral is wholly or partly affixed to real estate or installed in or affixed on other goods, Debtor will, on demand of Secured Party furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate or other goods, of any interest in the Collateral which is prior to Secured Party's interest. Unless the blank spaces in this paragraph are filled in when this Security Agreement is executed, none of the Collateral will be affixed to any real estate or other goods so as to become fixtures on such real estate or accessions to other goods; and

8. As to all items of the Collateral which constitute accounts or contract rights:

- (a) The account or contract right arose from the performance of services by Debtor which have been fully and satisfactorily performed or from the absolute sale of goods by Debtor in which Debtor had the sole and complete ownership, and the goods have been shipped or delivered to the account debtor, and Debtor or Secured Party has possession of all shipping and delivery receipts pertaining thereto; and
- (b) The account or contract is not subject to set off, counterclaim, defense, allowance or adjustment other than discounts for prompt payment shown on the invoice, or to dispute, objection or complaint by the account debtor concerning his liability on the account, and the goods, the sale of which gave rise to the account, have not been returned, rejected, lost or damaged; and
- (c) The account or contract right arose in the ordinary course of Debtor's business, and no notice of bankruptcy, insolvency or financial embarrassment of account debtor, has been received by Debtor; and
- (d) Debtor shall at all times keep complete and accurate books and records reflecting all facts concerning each account and contract right, including those pertaining to Debtor's warranties, representations and agreements under this Security Agreement, and make or allow Secured Party to make written designation on Debtor's books and records to reflect thereon the assignment to Secured Party of each account or contract right covered by this Security Agreement; and
- (e) Debtor shall not modify the contract with any account debtor or diminish any security for an account or contract right without giving Secured Party five days notice in advance in writing and without first receiving written consent from Secured Party; and
- (f) In the event any account which constitutes a part of the Collateral is not paid in full within ten days after due date shown for such account, Debtor shall immediately pay Secured Party the full amount then owing on such account; and

9. Secured Party's sole duty with reference to the Collateral shall be to use reasonable care in the custody and preservation of those items of Collateral in Secured Party's possession; provided, however, Secured Party shall not be responsible in any way for any depreciation in the value of any of the Collateral, nor shall any duty or responsibility whatsoever rest upon Secured Party to take necessary steps to preserve rights against prior parties or to enforce collection of the Collateral by legal proceedings or otherwise, said sole

duty of Secured Party, its successors and assigns, being to use reasonable care in the physical custody of the Collateral which is delivered to Secured Party. All money and cash proceeds of Collateral as and when made and received by Secured Party may be applied, at Secured Party's option, after deduction of any collection costs incurred, as payment on any indebtedness of any Debtor then or thereafter owing to Secured Party (whether or not then due) at any time and in any order, manner or priority as Secured Party may desire, or Secured Party may hold the same without liability for interest or other compensation as security for any indebtedness then or thereafter secured hereby; and

10. The offices, chief executive offices, the place of business and where each Debtor keeps his records concerning accounts and contract rights are the addresses shown at the beginning of this Agreement; and

11. Except for the items of Collateral now or hereafter in possession of Secured Party, the Collateral shall remain in Debtor's possession or control at all times at Debtor's risk of loss and be kept at Debtor's address shown at the beginning of this agreement where Secured Party may inspect it at any time, except for its temporary removal in connection with its ordinary use or unless Debtor notifies Secured Party in writing and Secured Party consents in writing in advance of its removal to another location; and

12. Each Debtor will promptly notify Secured Party in writing of any addition to, change in or discontinuance of (a) his address as shown at the beginning of this Security Agreement; (b) the location of his place of business as set forth in this Security Agreement; and (c) the location of the office where he keeps his records as set forth in this Security Agreement; and

13. Debtor will have and maintain insurance at all times with respect to all Collateral in an amount equal to the full insurable value thereof against risks of fire, theft and such other risks as Secured Party may require, including standard extended coverage, and in the case of motor vehicles, including collision coverage. Such insurance policies shall contain such terms, be in a form, for a period and be written by companies satisfactory to Secured Party. Such insurance policies shall also contain a standard mortgagee's endorsement providing for payment of any loss to Secured Party. All policies of insurance shall provide for ten days written minimum cancellation notice to Secured Party. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Secured Party may act as attorney for the Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral. Secured Party may apply any proceeds of such insurance which may be received by it as payment on any indebtedness of any Debtor then or thereafter owing to Secured Party (whether or not then due) at any time and in any order, manner or priority as Secured Party may desire, or Secured Party may hold the same without liability for interest or other compensation as security for any indebtedness then or thereafter secured hereby; and

14. Without the prior written consent of Secured Party, Debtor will not acquire any inventory or equipment subject to any lien, encumbrance or security interest then owned or held by any person or entity other than Secured Party; and

15. Secured Party may take any steps which Secured Party deems necessary or advisable to collect any or all accounts, contract rights, proceeds or other Collateral, or to sell, transfer, compromise, discharge or extend the whole or any part of the accounts, contract rights, proceeds or other Collateral, and apply the proceeds thereof to any indebtedness of any Debtor then or thereafter owing to Secured Party (whether or not then due) at any time and in any order, manner or priority as Secured Party may desire, or Secured Party, may hold the same without liability for interest or other compensation as security for any indebtedness then or thereafter secured hereby; and

16. Secured Party may render and send to any Debtor a statement of account showing loans made, all other charges, expenses and items chargeable to Debtor, payment made by Debtor against the loans, proceeds collected and applied to the loans, other appropriate debits and credits, and the total of Debtor's indebtedness on the loans as of the date of the statement of account, and the statement of account shall be considered correct in all respects and accepted by and conclusively binding upon each Debtor, except for specified objections which Debtor makes in writing within five days from the date upon which the statement of account is sent; and

17. The Collateral will not be misused or abused, wasted or allowed to deteriorate, and will not be used in violation of any statute or ordinance; and

18. Demand, notice of any default or event, notice that Secured Party will not accept late payments, notice of intent to accelerate maturity, notice of acceleration of maturity, presentment for payment or acceleration, protest, notice of protest or any other act or notice whatsoever by Secured Party under this Security Agreement or in connection with any note or notes, or other indebtedness or any Collateral securing same, except as otherwise provided in this Security Agreement, is hereby waived; and any indulgence of Secured Party, substitution for, exchange of, or release of Collateral, in whole or in part, or addition or release of any person liable on the Collateral or for any indebtednesses now or hereafter secured hereby, in whole or in part, is hereby assented and consented to by each Debtor; and

19. Each Debtor shall pay prior to delinquency all taxes, charges, liens and assessments against the Collateral, and all premiums for insurance required by Secured Party, and upon failure to do so, Secured Party at its option may (but shall have no obligations to) pay any of such amounts and Secured Party shall be the sole judge of the legality or validity of such taxes and the amount necessary to discharge the same and all matters with respect to such insurance required by Secured Party and the premiums therefor, and if Debtor does not obtain, furnish and pay the premiums for such insurance, Secured Party may obtain such insurance covering only its interest as Secured Party may desire. Any such payment by Secured Party shall become part of the indebtedness secured by this Security Agreement and shall be paid to Secured Party by Debtor immediately and without demand, with interest thereon at the maximum lawful rate of interest allowed by the applicable laws of the United States of America or the State of Texas which allows the highest rate of interest from the date of such payment by Secured Party until paid in full by Debtor; and

20. If Secured Party should at any time be of the opinion that the Collateral is not sufficient or has declined or may decline in value, then Secured Party may call for additional collateral satisfactory to Secured Party, and each Debtor promises to furnish such additional collateral forthwith. The call for additional collateral may be oral or by telegram or by United States mail addressed to the address of Debtor shown above; and

21. Secured Party may at any time notify and/or make demand on any and all persons and entities obligated on or for any of the Collateral to make all payments due and/or to become due thereon directly to Secured Party, and all payments made on the Collateral which are received by any Debtor shall immediately be paid to Secured Party, and all such sums may be held by Secured Party as Collateral, without liability for interest or other compensation, or applied to any Debtor's indebtedness then or thereafter owing to Secured Party (whether or not then due) the time, manner, order and priority of the application to be in the sole discretion of the Secured Party, and in order for the said Secured Party to exercise its rights hereunder, it shall not be necessary that any default exist in the performance of any covenant and condition contained in this Security Agreement or in any indebtedness now or hereafter secured hereby. While it is contemplated that the payments made on Collateral may be used for the purpose of paying the indebtednesses now or hereafter secured hereby, nothing herein shall be construed as relieving any Debtor from the payment of any indebtedness now or hereafter secured hereby according to the terms, tenor and effect of the promissory notes, instruments or agreements evidencing such indebtedness.

Each Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein called an "Event of Default"):

1. Any Debtor's failure to pay when due any indebtedness now or hereafter secured by this Security Agreement, either principal or interest or any other charges or sums; or

2. Failure of any Debtor to punctually perform any of the obligations, covenants, terms or provisions contained or referred to in this Security Agreement or in any note or other writing now or hereafter secured hereby or the performance by any Debtor of (or allowing the performance of) any act which is prohibited or agreed not to be done herein or in any note or other writing now or hereafter secured hereby; or

3. Any warranty, representation or statement contained in this Security Agreement or made or furnished to Secured Party by or on behalf of any Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to any Debtor is believed by Secured Party at any time to be false or misleading (in whole or in part) in any respect when made or furnished; or

4. The loss, theft, substantial damage, destruction, sale or encumbrance of or at any of the Collateral, or the making or attempting of any levy on or seizure of or attachment of any of the Collateral including, without limitation, the application for or issuance of a writ of garnishment, writ of sequestration, writ of attachment or any other legal process or proceeding; or

5. Any Debtor's death, dissolution, termination of existence, insolvency, business failure or the failure of any Debtor to continue in any business that any Debtor is now engaged at the level and volume substantially equal to the level and volume such business is now being conducted; the appointment of a receiver of all or any part of the property of any Debtor; an assignment for the benefit of creditors by any Debtor; the calling of a meeting or existence of a committee of creditors of any Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against any Debtor or any guarantor, surety or endorser for any Debtor; or

6. Any statement of the financial condition of any Debtor or of any guarantor, surety or endorser for any Debtor or any other statement or writing heretofore, now or hereafter made by any Debtor in any manner pertaining to or connected with any indebtedness of any Debtor or any of the Collateral is believed in good faith at any time by Secured Party to be false or misleading; or

7. The Collateral becomes, in the judgment of Secured Party, unsatisfactory or insufficient in character or value; or

8. Any guarantor, surety or endorser for any Debtor defaults in any obligation or liability to Secured Party; or

9. The Secured Party in good faith believes the prospect of payment of any indebtedness now or hereafter secured hereby or the performance of any obligations contained herein or in any other writing securing or otherwise pertaining to any of such indebtedness now or hereafter secured hereby is impaired.

Upon the occurrence of any Event of Default, or if Secured Party deems the prospect of any payment or performance of any indebtedness or obligation now or hereafter owing by any Debtor to Secured Party to be impaired, and at any time thereafter, Secured Party may at its option and in its sole discretion (without demand, notice of any such default or event, notice that Secured Party may not accept late payments, notice of intent to accelerate maturity, notice of acceleration of maturity, presentment for payment or acceleration or any other act or notice whatsoever) do any one or more or all of the following acts:

1. Declare any one or more or all indebtednesses and obligations then secured hereby to be immediately due and payable; and
2. Hold (without liability for interest or other compensation) all deposits, money or other sums at any time credited by or due from Secured Party to any Debtor until all sums owing on all indebtedness now or hereafter secured hereby have been paid in full and Secured Party may at its option at any time set off all or any part of any of such deposits, money or other sums credited by or due from Secured Party to or against any indebtedness now or hereafter secured by this Security Agreement (whether or not any such indebtedness is then due) in any manner, order or priority which said Secured Party, at its sole discretion, chooses; and
3. Exercise all of the rights and remedies of a Secured Party as provided in the Uniform Commercial Code in force in the State of Texas at the date of execution of this Security Agreement; and
4. Exercise all of the rights and remedies provided herein or in any instrument, document or other writing now or hereafter evidencing, securing or otherwise pertaining to any indebtedness now or hereafter secured hereby; and
5. In addition to the rights and remedies referred to above, sell, assign or deliver all or any part of the Collateral at any Broker's Board or at any public or private sale without notice or advertisement, and bid and become purchaser at any public sale or at any Broker's Board.

If notice to any Debtor is required by the Uniform Commercial Code of Texas of public or private sale of Collateral, the requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to such Debtor at the address designated above at least five days before the time of such sale. Secured Party may apply the proceeds of any disposition of Collateral available for satisfaction of any Debtor's indebtedness and the expenses of sale in any manner, order or priority which Secured Party, in its sole discretion, chooses. Each Debtor shall remain liable for any deficiency.

This Security Agreement, Secured Party's rights hereunder or the indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Secured Party, and no Debtor will assert any claims or defenses he may have against Secured Party against the Assignee except those granted in this Security Agreement. Secured Party may at any time transfer the Collateral to itself or its nominee, receive all income and proceeds, including money, thereon or therefrom and hold such income and proceeds as Collateral or apply any or all such income and proceeds to any of any Debtor's indebtedness to Secured Party, whether or not any indebtedness now or hereafter secured hereby is then due and whether or not there is any default under any writing evidencing, securing or otherwise pertaining to any such indebtedness, and the time, manner, order and priority of any such application of said income or proceeds shall be in the sole discretion of Secured Party. Secured Party may at any time, demand, sue for, collect or make any compromise or settlement with reference to the Collateral as Secured Party, in its sole discretion, chooses. Secured Party may delay exercising or elect not to exercise any right or remedy under this Security Agreement or any indebtedness secured hereby without waiving that or any other past, present or future right or remedy.

Each Debtor further agrees that Secured Party shall have the right, but not the duty or obligation, to do any act any Debtor agreed to do, and exercise any right or power granted to any Secured Party, under any provision contained in this Security Agreement, the note or other writings secured hereby or in any instrument, document or other writing now or hereafter evidencing or securing any indebtedness or obligation now or hereafter owing by any Debtor to Secured Party, whether or not any Debtor is in default under this Security Agreement, any note and other writings secured hereby or under any other instrument, document or other writing now or hereafter evidencing or securing any of said indebtednesses or obligations of any Debtor to Secured Party, and without any notice to any Debtor. Each Debtor further agrees that Secured Party may at any time demand that all proceeds of any or all of said Collateral be paid to Secured Party, whether or not there are any sums then due on any indebtedness now or hereafter secured hereby, and each Debtor authorizes any obligor under any of said Collateral to pay any sums so demanded to Secured Party.

Each Debtor further agrees that Secured Party may receive, open and dispose of mail addressed to any Debtor, and Secured Party may execute, sign and endorse negotiable or non-negotiable instruments or any other instruments, documents or other writings in the name of and as agent for any Debtor, or in its own name, which any Debtor has agreed to execute, sign or endorse above or in which Secured Party then has a security interest, and Secured Party is hereby constituted and appointed the agent and attorney-in-fact of each Debtor to do all acts and to execute, sign and endorse all instruments, documents and other writings agreed to be done, made, procured, signed, executed, endorsed or delivered by any Debtor above and each Debtor agrees that this power of attorney is coupled with an interest and shall not be revoked until all indebtednesses now or hereafter secured by this Security Agreement have been paid in full.

Each Debtor further agrees that this Security Agreement shall not impair and shall not be impaired by any other security agreement, assignment, guaranty agreement or any other instrument, document or other writing whatsoever now or hereafter evidencing, securing or pertaining to any indebtedness now or hereafter secured hereby, unless specifically agreed to in writing by Secured Party; and each Debtor agrees that the rights and remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the rights and remedies provided for herein shall not be construed as a waiver of any of the other rights or remedies of Secured Party.

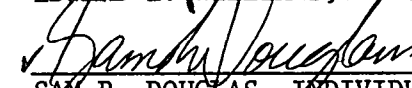
If any of the terms or provisions herein or in any Collateral or in any note or other evidence of any indebtedness now or hereafter secured hereby is susceptible of being construed as binding or obligating any Debtor or any other person or party obligated, either primarily or conditionally, for the payment of any indebtedness, under any circumstances or contingencies whatsoever, to pay interest in excess of that authorized by law, it is agreed that such terms or provisions are a mistake in calculation or wording and, notwithstanding the same, it is expressly agreed that neither any Debtor nor any other person or party obligated in any manner on any such indebtedness shall ever be required or obligated under the terms of any note or other evidence of indebtedness or otherwise, to pay interest in excess of that authorized by law.

The term "Collateral" as used in this Security Agreement shall mean all of the goods, instruments, general intangibles, securities and other property, rights and interests in or to which Secured Party has been granted a security interest in this instrument. The term "Debtor" as used in this instrument shall be construed as singular or plural to correspond with the number of persons executing this instrument as Debtor. The pronouns used in this instrument are in the masculine gender but shall be construed as feminine or neuter as occasion may require. "Secured Party" and "Debtor" as used in this instrument include the heirs, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties. If more than one person executes this instrument as Debtor, their obligations and agreements and warranties under this instrument shall be joint and several. Terms used in this instrument which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined. The law governing this secured transaction shall be that of the State of Texas in force at the date of this instrument, except that the rate of interest that may be contracted for, charged or received on the indebtednesses or obligations described herein shall be construed pursuant to the applicable law of the United States of America or the State of Texas which allows the highest rate of interest.

Each Debtor further agrees that any carbon, photographic or other reproduction of this Security Agreement or any other agreement or any financing statement heretofore, now or hereafter executed by any Debtor may be filed of record and shall be sufficient as a financing statement and for all other proper purposes desired by Secured Party.

EXECUTED this the 13th day of May, 1991.


  
EDWARD E. WILLIAMS, PH.D., INDIVIDUALLY


  
SAM P. DOUGLAS, INDIVIDUALLY

  
ROBERT R. STERLING, PH.D., INDIVIDUALLY


  
M.C. FINDLAY, III, PH.D., INDIVIDUALLY

DEBTOR: TCI 1979 PARTNERSHIP

By:   
EDWARD E. WILLIAMS, PH.D., GENERAL PARTNER

By:   
SAM P. DOUGLAS, GENERAL PARTNER

By:   
ROBERT R. STERLING, PH.D., GENERAL PARTNER

By:   
M. FIND Y, III, P .D., GENERAL PARTNER

THE STATE OF TEXAS }  
COUNTY OF HARRIS }

I, THE UNDERSIGNED AUTHORITY, HEREBY CERTIFY THAT THE SECURITY AGREEMENT  
DATED MAY 13, 1991 ATTACHED HERETO IS A TRUE, CORRECT AND COMPLETE  
COPY OF THE ORIGINAL THEREOF.

DONE, UNDER MY HAND AND SEAL OF OFFICE, THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_  
1991.

*Pat Morris*

NOTARY PUBLIC IN AND FOR HARRIS  
COUNTY, TEXAS

MY COMMISSION EXPIRES:

8-3-94

